Minutes of the Meeting
COMMITTEE ON LOCAL GOVERNMENT FINANCE
October 27, 2015
10:30 a.m.

The meeting was held at the Nevada State Legislative Building located at 401 South Carson Street, Room 2134, Carson City, Nevada, and video-conferenced to the Grant Sawyer State Office Building located at 555 East Washington Avenue, Room 4412, Las Vegas, Nevada.

COMMITTEE MEMBERS PRESENT:

Marvin Leavitt, Chairman
John Sherman, Vice Chairman
Andrew Clinger
Marty Johnson
Alan Kalt
Jim McIntosh
George Stevens
Mary Walker
Jeff Zander

COMMITTEE MEMBERS ABSENT:

Beth Kohn-Cole
Mark Vincent

COUNSEL TO COMMITTEE

DEPT OF TAXATION STAFF PRESENT:

Terry Rubald
Kelly Langley
Harman Barns
Peggy Cole
Bonnie Duke
Penny Hampton
Susan Lewis
Rachael McFarland
Jeffrey Mitchell
Anita Moore
Ana Navarro
Sorin Popa
Hilary Reynolds
Heidi Rose
Janie Ware

MEMBERS OF THE PUBLIC PRESENT:

Name	Representing
John F. Wiles	Alverson Taylor
Tom Grady	City of Fallon
Tom Baker	City of Henderson
Kelly Martinez	City of Las Vegas
Dave Empey	City of Mesquite
Darren Adair	City of North Las Vegas
Debbie Barton	City of North Las Vegas
Rhonda Garlick	City of North Las Vegas
Ryann Juden	City of North Las Vegas
Sandra Morgan	City of North Las Vegas
Qiong Liu	City of North Las Vegas
Linda Poleski	City of North Las Vegas
Debbie Kinder	City of Sparks
Jeffrey Share	Clark County
Frank Wright	Crystal Bay Resident
Karen Scott	Esmeralda County
Clifford Dobler	Incline Village Resident
Aaron Katz	Incline Village Resident
Linda Newman	Incline Village Resident
Leonard Cardinale	IUPA Local 56
Renny Ashleman	Las Vegas Valley Water District
Jeff Fontaine	NACO
Kim Lara	Nye County Treasurer's Office
Wayne Carlson	PACT
Ralph Piercy	Piercy, Bowler Taylor and Kern
Jeffrey Church	Renopublicsafety.org
Scott Leedom	Southern Nevada Water Authority
Michael Sullivan	Town of Pahrump
Joey O. Hastings	Washoe County

1. Roll Call and Opening Remarks

Chairman Leavitt called the meeting to order at 10:31 a.m. Janie Ware took roll call and asked the attendees on the teleconference to state their names. Chairman Leavitt stated that there was a quorum.

2. Public Comment

Chairman Leavitt asked for public comment and stated that there were individuals wishing to comment on the enterprise fund. He will allow them to make public comment regarding this now.

Jeff Church, retired Reno police officer and Lt. Col. U.S. Air Force Reserve, retired, came forward for public comment. He runs a website known as renopublicsafety.org, and he is a resident of the City of Reno. He owns multiple properties within the City of Reno. He would like to speak about Reno ballot measure R-3 for additional firefighters. He provided a handout and also emailed a letter from his attorney. In 1998, voters approved a ballot measure for additional firefighters within the City of Reno. That measure went into effect shortly thereafter. This ballot measure is similar to a ballot measure in Las Vegas for additional police officers. Mr. Church referred to AG Opinion 2011-4. However, in the City of Reno, there are less firefighters than in 1998, when the ballot passed. Reno recently gave their firefighters a massive pay raise making them the highest compensated fire department in the United States. At the same time, Reno closed two fire stations. Mr. Church and his attorney are attempting to seek a legal opinion from the Board's legal representative to avoid litigation. Mr. Church stated he would read into the record a portion of the ballot measure. The ballot measure calls for "hiring additional firefighting personnel." Under the explanation for the ballot measure, "hiring additional firefighters." Under the argument for the question, passage of the question, "add additional needed firefighters." It could not be any clearer than that as far as the intent of the voter and the intent of the ballot measure. This is not taking place as Reno has less firefighters than at the time of passage. He is asking the Committee to seek a legal opinion. If that legal opinion concurs with the previous AG opinion in Las Vegas, Mr. Church is asking that action be taken to see we get what we paid for. At the present time, the money goes into a general fund and not into a specific firefighting fund.

Aaron Katz, resident of Incline Village, came forward for public comment. He stated there is a lot out of whack in Incline Village. Prior to the adoption of NRS 354.613, which prohibited interfund transfers, Incline Village General Improvement District (IVGID) was one of those political subdivisions that survived off of interfund transfers. They were hopeful that the adoption of this legislation would change things, but it did not. Immediately after the adoption, IVGID decided to do the same thing with interfund transfers it had always been doing, except now IVGID is going to change the name. They changed the name to central service cost allocation because that was permitted in NRS 354.613. Immediately thereafter, the amount of transfers increased by about 50%. The justification was central service cost allocations. NRS 354.613 requires that before transfers are made you must come before the board, have it as a separate agenda item, and get approval for the transfers. IVGID never sought that approval from the board. Mr. Katz has brought this to the attention of the Department of Taxation (Department), and they have not responded to this. It turns out there were other transfers going on that the residents did not know about. The transfers were completely hidden. Once this came to light, the finance director decided there must be new reporting funds. It needs to be special revenue instead of enterprise. He was successful in confusing our board into approving this. Mr. Katz believes he was also successful in confusing the Department. If the same transfers are going on, and they are now special revenue funds, there is no prohibition in NRS 354.613. They can transfer to the extent they want. Mr. Katz believes this is why they have moved to special revenue funds. Under 5(c), you will hear why these are really not special revenue funds but enterprise funds. The Committee needs to step in and prevent this circumvention of the law because the citizens are being harmed. The citizens are being harmed because IVGID has an invalid tax which they call a fee. It is not a fee. It is a tax. They use this tax to cover 100% of their deficiency which keeps rising every year. It is now almost $7 million a year. There needs to be an investigation and protection.

Frank Wright, resident of Crystal Bay, came forward for public comment. He stated he is speaking about IVGID's method of financing everything. In the State of Nevada, all taxes and fees have to be uniform. This tax is not uniform. He lives in a community which is part of Incline Village, Crystal Bay. There are special rules and regulations which are different from Incline Village even though they are all part of the same General

Improvement District (GID). This tax or fee is different for the people in Crystal Bay than it is for the people in Incline Village. It is $830 for those living in Incline Village and $730 for those living in Crystal Bay. The tax is used to fund IVGID's massive business organizations. They are in the business for running a for profit sport shop at the Hyatt. IVGID uses the recreation fee to fund this retail sport shop. This has nothing to do with his recreation. The recreation tax/fee is used to fund defensible space and to fund lobbyists in Washington D.C. and Carson City. The fee is not for recreation. It covers all of IVGID's losses and all the venues they have created. Mr. Wright's complaint is that the fee is collected on parcels. It is accessed to a single parcel. That parcel pays $830. There are some single parcels that pay 75 individual recreation fees for one parcel. Then across the street, there are 422 units that pay one recreation fee. This is the Hyatt hotel. The one that pays 75 recreation fees is an apartment complex. It is not uniformly accessed. In the State of Nevada, it must be uniformly assessed.

The full Committee meeting was recessed for a regulation workshop.

3. For Possible Action: RECESS FOR ATTENDANCE AT REGULATION WORKSHOP
The Department of Taxation will hold a workshop on behalf of the Committee on Local Government Finance to receive input on proposed language changes to the Nevada Administrative Code Chapter 354, as follows:

> **LCB File No. R078-15 relating to local government finance; establishing certain requirements for the establishment of a trust fund by a local government for the purpose of funding future retirement benefits of retired employees, including procedures for making the investment; treatment of the trust account; composition of the trust fund board; powers, rights and duties of the trust fund board of trustees; accounting and auditing functions; and other matters properly relating thereto.**

Terry Rubald, Deputy Executive Director, Department of Taxation, stated this is the time and place noticed for a workshop on LCB File No. R078-15 regarding trust funds. She presented an overview of the proposed regulation and then went into the specifics. Last February, one of the agenda items on the Committee on Local Government Finance (CLGF) was the approval for a trust fund investment plan for the Clark County OPEB trust. This brought to light that there may be a need for additional clarification about if and when a local government needs to have the approval of CLGF when investing in equity securities. At the time, Clark County's interpretation was that it needed CLGF approval to invest in the retirement benefit investment fund (RBIF), fixed income securities with a maturity of 10 years or less, as well as investment in equity securities. This compares to Ms. Rubald's belief in what CLGF's intention was in the original adoption of the regulation. This was only to approve those plans valued at $100 million or more that invested in equity securities. As a result of this agenda item, a subcommittee was formed at the next meeting of CLGF in April. Mr. Sherman is the chairman of the subcommittee. The subcommittee met in August and proposed language and also heard the requests of interested parties for additional language. These regulations address three different issues. The primary intention of these regulations is to clarify that CLGF approval is needed only when the board of trustees of a trust having an asset value of $100 million or more want to invest in equity securities. If the trust is going to invest in a Public Employees' Retirement System (PERS) retirement benefit investment fund, then CLGF approval is not needed. The second issue addressed is the makeup of the board members of a trust. Currently, a five member board is required if the trust fund has assets of $100 million or more, including two members experienced in the equity securities market, whether or not the fund invests in equity securities. A request was made to have a five member board only when the trust fund invests in equities. The experience in the equity securities market is not necessary if the trust fund does not separately invest in equities. In that event, the three member board would suffice even if the total asset value is over $100 million. The third issue concerns whether the $100 million asset benchmark requiring an investment plan and approval by CLGF to invest in securities may be waived for a trust fund that has less than $100 million in assets. The proposed

regulation provides for a waiver of the $100 million benchmark if there is a demonstration of an ability to manage a trust fund of $100 million or more, or manage a pension fund outside of PERS that is $100 million or more. The Administrative Procedure Act in NRS Chapter 233B requires an agency to make a concerted effort to determine whether a proposed regulation is likely to impose a direct and significant economic burden upon a small business or restrict the formation, operation or expansion of a small business. In the Department's opinion, these regulations only affect administration of trust funds operated by local governments and do not have an impact on small business at all. However, we did send out a small business economic impact questionnaire to the small businesses on our interested parties list. We have not yet received any feedback from the questionnaire, but we would like to keep record open for a couple of weeks in case there is any input from a small business. A small business is defined as having 150 or less employees.

Terry Rubald gave an overview of the regulation. The first change is in Section 1(c), on Page 3 of the regulation. It addresses when a five member board is required. This is when any of the assets of the trust fund will be invested in equities, bonds or debt securities that are traded on a public securities market and approved by CLGF or included in any category of equity securities approved by CLGF.

The next change is in Section 2, Subparagraph 2, on Page 4. It states that an investment plan is required unless all the assets will be deposited in an RBIF or invested in any investments authorized in NRS 355.170. NRS 355.170 has a list that includes bonds, farm loan bonds, U.S. Treasury bills and notes, certificates of deposits, etc. If an investment plan is required, then it must be approved by CLGF before investment of any assets of the trust fund is made. If the assets qualify to be invested pursuant to NAC 287.790, and the board of trustees of the trust fund desire to invest in equity or debt securities, the criteria for the investment plan itself remains unchanged. There is also a minor change in Subparagraph 4, on Page 6, which states that CLGF approval of the plan, if required, does not create or establish any fiduciary duty between CLGF and the trust fund.

In Section 3, Subparagraph 3, on Page 7 of the regulation, CLGF may waive the minimum market value of the investment portfolio in a trust fund upon request by a local government, and if there is good cause shown, such as a demonstration of an ability to manage an investment portfolio or pension fund of $100 million or more, outside of PERS. This means that a fund of less than $100 million could potentially invest in equity securities and be required to submit an investment plan and obtain the approval of CLGF.

Chairman Leavitt asked for questions and public comment on this proposed regulation.

Renny Ashleman, representing the Las Vegas Valley Water District, came forward for public comment. The final part of the amendment was devised pursuant to their testimony at previous hearings. It has been well drafted, and they are pleased with the draft. They would like it to go forward.

Terry Rubald recommended a motion to go forward with adoption. Vice Chairman Sherman moved to go forward with adoption with a second from Member Kalt. The motion carried.

4. For Possible Action: RECONVENE REGULAR MEETING

Chairman Leavitt stated we would reconvene the regular meeting.

5. For Possible Action: SUBCOMMITTEE REPORTS:
a) Next steps regarding adoption of LCB File No. R078-15

Terry Rubald stated the next step regarding this regulation is to have a 30-day notice period for the adoption hearing. Once the Committee has selected the next meeting date, it will be posted. Assuming the Committee does adopt the regulation, it will go to the Legislative Commission before it becomes effective.

5. For Possible Action: SUBCOMMITTEE REPORTS:
b) Next steps regarding LCB File No. R010-13, Heart-lung regulations; Report on effects of SB 153 (2015) amending NRS Chapter 617

Terry Rubald gave a brief history of this regulation. These regulations were first adopted by CLGF as a temporary regulation in November 2012. They were effective for the 2013/14 fiscal year. The Department collected information in 2013 from local governments regarding liabilities associated with providing the benefits required in NRS Chapter 617 and produced summary information which was published on the Department's website. Chapter 617 provides disability insurance and compensation to eligible public safety employees and eligible non-current public safety employees for certain occupational diseases, including heart and lung diseases, cancer and hepatitis. CLGF then proceeded to make the temporary regulations permanent. More workshops were held, and the regulations were adopted by CLGF in November 2013. The regulations did not pass muster with the Legislative Commission. In May 2014, the subcommittee reconvened and modified the regulation. The second revised proposed regulation was adopted in August 2014. Those adopted regulations have not been submitted to the Legislative Commission for final approval yet, so they have never become effective. Basically, the regulation requires local governments that employ public safety personnel to file a report with the Department about the historical claims that have been paid, the estimated future liability associated with NRS Chapter 617 benefits and the reserves that have been accumulated to cover that liability. Under these regulations, the Department would compile the information and publish a summary. Since the regulation was adopted, the Legislature amended NRS Chapter 617 through SB 153. Mr. Wayne Carlson will discuss the changes in SB 153. The Committee may want to reconvene the subcommittee to consider those changes. Terry Rubald asked the Committee to give the Department direction on how to go forward with the regulations.

Wayne Carlson, Executive Director, Public Agency Compensation Trust, came forward. He stated SB 153 took a number of twists and turns during the session. The first change was to reduce the eligibility period from five years to two years of continuous work as a full time police officer or firefighter in a salaried position. The next element was if someone was diagnosed with a disease in the course of employment or if a person ceases employment before completing 20 years of service as a police officer or firefighter or arson investigator, during the period after separation from employment, then they are eligible for benefits equal to the number of years they worked. For example, if they worked for seven years and then left the field, they would be eligible for benefits for an additional seven years. This is a reduction over the current law which says that if they work five years they will have the benefit for the rest of their life. If they achieve 20 years of employment, they are still eligible for lifetime benefits as under the law at the time. Service credits do not count in the purchase of eligible years. This has a benefit of a reduction in the ultimate liability if there is a turnover of employees that leave the field after working less than 20 years. In a practical way, firefighters tend to stay employed for 20 plus years. Some police officers leave the field for burn out reasons or wanting to do something different while some police officers go the full 20 years. Another element that was added into the bill was to clarify statutorily what had already been established in case law -- retirement benefits do not count for the purpose of compensation. It is medical benefits only for post-employment. The next element Senator Settelmeyer was firm about adding in. He wanted the provision that frequent or regular use of tobacco products would, in one year, or a material departure from a physician's prescribed plan of care by a person within three months immediately preceding the filing of a claim, excludes a person who is separated from service from the benefit of the conclusive presumption. The person still has a rebuttable presumption where they can prove these changes did not affect their condition. The final two sections of the bill state the amendatory provisions which do not apply to a person who, on the effective date, has completed 20 years of creditable service, not including any service purchased. This was the grandfather clause for current employees. The tobacco provision has been delayed with an effective date of January 1, 2017. Senator Settelmeyer felt this gave them a year to quit. From his perspective, it is a mixed result in terms of impacting the purpose of the regulation. If people stay for 20 years or more, the cost remains at the high projected levels. Much of it depends on the turnover of people

under the 20-year cycle. His actuary stated they would have to do a new study. Savings could be anywhere from 0 to 20%, but that is a wild guess.

Chairman Leavitt asked if the changes made to the basic legislation will have an effect on the provisions in this regulation. He asked if the regulation needed to be updated or changed as a result of this legislation.

Wayne Carlson responded that the fundamental issue is still the same. There is still an unfunded liability or partially funded liability for most entities. This is an issue of transparency and disclosure. Form 33 was designed to collect the data and provide the disclosure in the budget documents. The only question about that format is the frequency of the actuarial reports. The PERS data may not be available in the aggregate form, and it may require a survey of each entity to collect data for the actuaries to do the projections. Instead of every five years, a longer period such as 10 years would facilitate that. Mr. Carlson got some data element requests from the actuary, and they will talk to PERS about what they are able to release.

Chairman Sherman stated that during a number of the hearings held by the subcommittee and the full CLGF, issues were raised about the accuracy of the actuarial estimates of these liabilities. We worked on Section 16 of the regulation regarding the guidelines provided to the actuaries doing the studies. We need to go back and review what the guidelines are and what information we can get from actuaries that would be reliable and actionable. If you do an actuarial analysis of a liability, the logical conclusion, from a fiduciary and a fiscal management standpoint, is that you should start funding that liability. Chairman Sherman believes we should pull this back, look at it in light of SB 153 and the type of information we can get if we provide better guidelines to the actuaries doing these studies.

Chairman Leavitt stated he was wondering how the tobacco situation would be factored in equation since it is information we do not know until someone files a claim.

Vice Chairman Sherman stated some public safety employees that have multiple public safety employers. Getting information on this chain of employment is difficult right now. None of the local governments or PACT has received this information that would allow them to make a more refined estimate of the liability. This is a complicating factor that is being worked on but is not yet resolved.

Member Kalt stated the only way an actuarial study can get good information is from the input. It is imperative that we get cooperation and solid data from PERS, either through the individual employer or from PACT.

Member Walker stated she worked on this with Senator Settelmeyer and Wayne Carlson during the session. They had information from the Department. But not having the data regarding the liability made the whole process and discussion difficult. Member Walker believes going forward with this is extremely important, and she recommends doing it quickly.

Chairman Leavitt assigned the subcommittee the task of reviewing the current proposed regulation to see if it needs to be amended, and then bring it back to the full committee. The regulation needs to be correct before we attempt to go before the Legislative Commission again.

Terry Rubald suggested planning a date for the subcommittee meeting right away because time is of the essence. If we do not get this to the Legislative Commission within two years then we are called on the carpet.

Jeff Church came forward for public comment. He stated that in reading the ordinance and attending the hearings, they talk about continuous, uninterrupted employment. He hopes that the subcommittee addresses this. He is hoping employees will not be penalized for military duty, family leave act, maternity leave and disciplinary action.

5. For Possible Action: SUBCOMMITTEE REPORTS:
c) Report from subcommittee regarding guidance on enterprise funds and special revenue funds

Terry Rubald gave an overview. Last February, the Department requested advice from the Committee as to whether guidance should be issued to local governments comparing and contrasting the use of special revenue funds and enterprise funds. The Department thought it would be useful to provide examples showing how our statutes and regulations work with various GASB pronouncements, especially for non-technical users like district or city attorneys, as well as for taxpayers. The Committee agreed that, especially with NRS 354.613 regulating loans and transfers from enterprise funds, it might be prudent to issue some guidance. The Committee appointed a subcommittee to be chaired by Ms. Kohn-Cole to advise the Department. The subcommittee met twice to consider a draft written by the Department. Proposed Guidance Letter 15-002 is in the exhibit packet. The purpose is to acknowledge GASB Statements 33, 34 and 54 as appropriate standards for the preparation of financial statements and comply with the requirements of NRS 354.612(2) as generally accepted accounting principles. The Department was very careful to say that the guidance letter does not change any interpretations of any existing general accounting principles that are followed by a local government. The only purpose is to raise awareness about differences between using special revenue funds and enterprise funds by discussing how the GASB standards work in relation to Nevada law. The guidance letter quotes very liberally from GASB Statements 33 and 34 with regard to indicating a special revenue fund is a type of governmental fund and an enterprise fund is a type of proprietary fund. It discusses the activities that meet the criteria for using a particular kind of fund, especially what the distinguishing activities are for an enterprise fund. The Department provided examples of an enterprise fund and analyzed real life examples to show how the enterprise fund provided in Nevada law meets the definition of GASB Statement 34. The Department quoted from GASB Statement 54 with regard to special revenue funds, and referenced the five new classifications of fund balance. The Department noted the change in classifications of fund balance and special revenue fund financial statement reporting requirements that are detailed in GASB Statement 54 does not require changes in the way a local government budgets and internally accounts for special revenue funds. The Department has not changed the budget reporting forms to reflect those classifications. The Department also provides examples of special revenue funds and a discussion of the application of criteria to determine whether a fund is a special revenue fund or an enterprise fund. The Department really appreciated all the comments from the subcommittee and incorporated all of them. The subcommittee voted to recommend approval of the Guidance Letter by the full Committee.

Chairman Leavitt stated the writer of the Guidance Letter did a very good job.

Vice Chairman Sherman agreed. He commented that this is not a regulation. It is merely a concise, cogent recitation of accounting standards as they now exist. It gives the characteristics of appropriate accounting between a special revenue fund and an enterprise fund.

Terry Rubald stated that the idea is to give some weight to the fact that the GASB standards are in existence, and they fulfill the requirement in our law for generally accepted accounting principles.

Member Kalt thanked Terry Rubald for her outstanding work and appreciates the appendix which provides examples.

Clifford Dobler, Incline Village resident, came forward for public comment. He also agreed that the Guidance Letter was an excellent piece of work. He is a past CPA who spent most of his life working in distressed debt. This is of particular interest to him as it relates to the Incline Village General Improvement District. Prior to July 1st, the accounting and reporting were two funds called the community service fund and the beach fund and were considered enterprise funds. They were created to account for all recreational venues. The revenues for those funds came from three sources, user fees, food and beverage and merchandise sales and an annual

recreational standby fee that was paid by all parcel owners. The recreational standby fee over all the years has been explained to citizens as committed and budgeted for support of operating shortfalls, funds for capital improvements and paying for debt service. For the current fiscal year, IVGID collected about $6.8 million from property owners through the recreational standby fee by assessing all property owners. It represents about 36% of all of the revenues that they collect for these enterprise funds. Back in 2014, the staff of IVGID suggested that the board of trustees take the two funds, the beaches and the community service funds, and convert them to special revenue funds. The primary reason was to set up six funds, three funds for community service and three funds for the beaches, to track operations, capital expenditures and debt service. In May, the board adopted a resolution to do this. The first issue is that type of revenues and activities that are in the community service fund and the beach fund are really not special revenue funds, but are enterprise funds. The transfer from an enterprise fund to a special revenue fund should not have ever been made. The second issue is that the primary reason IVGID wanted to convert from an enterprise fund to a special revenue fund was they wanted to separate the components of the recreational fee going for operations, capital improvements and debt service. What IVGID did is set up the six funds and then continued to pick up all recreational fees as operations then transferring out below the line to the capital fund and debt service fund. Therefore, the operations look like they are making tremendous profits because no allocation of the recreational fee for the three types of spending was ever done. What we have here is a bait and switch where IVGID converted from a enterprise fund to a special revenue fund without following the definitions of a special revenue fund at all. He does not know if this Committee can help, but is hoping for support from the state for this slight of the hand.

Chairman Leavitt asked if Mr. Dobler was suggesting any change to the Guidance Letter.

Clifford Dobler responded no, he felt the guidance was perfect. It is very clear. What he suggests is that the IVGID staff complies with it. The guidance would suggest that IVGID not make the change from an enterprise fund to a special revenue fund. If they do make the change, IVGID needs to follows the rules after they make the change to put the revenues in the proper slots rather than putting it in one slot and then transferring out under the line to have a deceptive practice.

Chairman Leavitt clarified that Mr. Dobler's problem is with the actions of a governmental unit and their staff and not with the Guidance Letter in front of us for approval today.

Clifford Dobler responded yes.

Vice Chairman Sherman asked if this change in IVGID accounting between enterprise fund and special revenue fund occurred this last fiscal year.

Clifford Dobler responded that it occurred and was adopted on May 21, 2015, to take effect July 1, 2015.

Vice Chairman Sherman clarified that the financial statements produced by IVGID would not show the effects of this change until fiscal year ending June 30, 2016.

Clifford Dobler responded this was correct; however, he is getting his data from the first five months of operation this year. IVGID has not allocated the revenue properly.

Chairman Sherman stated this Committee relies on audited financial statements to have an independent third party to view the financial activities and transactions of local governments. The auditors we rely upon to give opinions not only as to compliance with state laws and regulations but to provide insight into the local government's appropriate application of accounting standards. The appropriateness of changing from an enterprise fund to a special revenue fund, in this instance, will not be known from an auditor's perspective until sometime next year. We know, as a Committee, that there have been a number of issues of controversy with

IVGID and their accounting, particularly of the recreational fee. He knows the Department has been looking at that over the years.

Linda Newman, Incline Village resident, came forward for public comment. She clarified that she is a homeowner, not a CPA. She believes the Guidance Letter is brilliant. It explains the special revenue and enterprise funds for a citizen and not just a professional. She appreciates this. Recently Incline Village adopted Resolution No. 1838 which created a series of new government-type special revenue funds. Prior to this resolution, the community services and beach funds existed for some number of decades as enterprise funds. The funds conform to NRS 354.517, definition for enterprise funds, as they accounted for operations which are financed and conducted in a manner similar to the operations of private business enterprises where the intent of the governing body is to have the expenses, including depreciation of providing goods or services on a continuing basis to the general public financed or recovered primarily through charges to the users. The community services and the beach funds conform to GASB Statement 34 Paragraph 67 in that reported activities, golf, ski, tennis, and multifunction recreation center beaches are financed through fees charged to external users for goods or services. In addition, the pricing policies of the IVGID board are designed to recover all costs including capital costs such as depreciation or debt service just as GASB Statement 34 Paragraph 67(c) instructs. Ms. Newman has serious concerns, based upon the subcommittee's Guidance Letter 15-002, that the current enterprise funds actually qualify as special revenue funds. Ms. Newman called the Committee's attention to the definition of special revenue funds under GASB Statement 54. There are two problems. IVGID has approved the establishment of these special revenue funds, but it has not specified revenue which is restricted or committed to a specified purpose. All of the mandatory recreation facility fees, close to $7 million, have been allocated to the community service fund and beach fund for operations. According to the new 2015/16 IVGID budget submitted to the Department, these funds are reporting this inflow as revenue despite that fact that GASB clearly states these amounts should not be recognized as revenue in the fund initially receiving them. Those inflows should be recognized as revenue in the special revenue fund in which they will be expended in accordance with specified purposes. IVGID's original intent to change to special revenue was premised on the allocation of the recreation facility fee into three components to ensure clarity and transparency. The allocation was for the purpose for the switch; however, no allocation was done. Thus, the entire recreation fee is recorded in revenues of the operating accounts of the community services and beach funds. This is contrary to the stated purpose. Ms. Newman included a copy of the memo from the Director of Finance to the Board of Trustees and the community as to what the intent was to change from enterprise funds to special revenue funds. Ms. Newman asked if these enterprise funds are masquerading as special revenue funds or neither. Therefore, they would not be in compliance with NRS 354.472(1)(d) and NRS 354.6122.

Aaron Katz came forward for public comment. He stated that he hopes the Committee is asking itself why this was changed, after so many decades, from enterprise to special revenue funds. It is so the Director of Finance can circumvent the restrictions on interfund transfers. Mr. Katz believes there is no need to wait for a CAFR. When looking at the recent CAFRs for IVGID, there is a statement by the auditor that he is not responsible for determining whether IVGID has complied with the law. The auditor blindly accepts a statement from the Director of Finance that IVGID is not doing anything wrong. This is what will happen with the next CAFR. Looking at the monthly financials produced by IVGID, these are identical to what has been produced for years as enterprise funds. Mr. Katz has copies of the disclosures made to the public. This matter first came to the Department because IVGID's Director of Finance decided he wanted to make a wholesale change. The minute Mr. Katz learned about it, he went to the Department because he was concerned. He was initially told that the Department of Taxation was not going to permit a change like this unless they approve it. Mr. Katz thought there was going to be an approval process. Then that approval turned into turning the cheek and indicating the Department was not here to tell IVGID what kind of funds they can and cannot set up. This greatly disturbs Mr. Katz because he thought the Department was here to protect the residents of Incline Village, and he does not feel they are being protected. His objection to the guidance letter is that it specifically mentions general improvement districts. Then the Department creates all the exceptions

that justify what the IVGID Director of Finance has done. Had the general improvement district not been mentioned, he would probably not object. Everything that IVGID is doing is enterprise funds. Now the problem is interfund transfers. Mr. Katz referred to his written statement with hope that the guidance letter would not pass until his statement is read. Mr. Katz is very concerned about the misuse of their ad valorem taxes. IVGID assesses an ad valorem tax which has been going up every year for 13 years, and it has almost hit the limit. When looking at the statutes for GIDs, general obligation bonds are supposed to be paid from property taxes, nothing else. IVGID does not use any property tax to pay general obligation bonds. IVGID uses the rec fee. Now there is a guidance letter that says they can use the special revenue fund because it is jointly secured by full faith in credit as well as the rec fee. No, it is in essence paid as if it were a revenue fund strictly from the rec fee. Mr. Katz is concerned about this because they never have an election as to whether there should be a general obligation bond. This is because there is an exception. If there is a general obligation bond that is additionally secured by a revenue source, the board can decide not to have an election. Also, IVGID never uses the property taxes to pay the general obligation bond. This means IVGID never runs into a problem passing too many bonds because there is not enough property tax to service them. According to the Director of Finance, IVGID can issue half of its assessed valuation in general obligation bonds, none of which is paid for by property tax. This is a big problem. In the guidance letter, footnote 6 specifically says that just because it is a general obligation bond does not necessarily mean it is proper to account for the activity in a special revenue fund. This is what we have here. IVGID is using this device through a general obligation bond for purposes other than paying for it in property taxes. IVGID should not be allowed to do this. Mr. Katz is asking the Committee to revamp the letter as it pertains to general improvement districts and not give IVGID a pass.

Frank Wright, resident of Crystal Bay, came forward for public comment. He stated the intent of the guidance letter is well meaning and comes across as something very good for the public. But when you look at the guidance letter in its entirety and see circumventions of previous laws that were passed regarding transferring of funds and the abuses that can take place, some safeguards need to be added so that creative people, like IVGID's Director of Finance, do not circumvent this Committee's good work and the work of the Legislature by transferring money between funds against state law. He asked the Committee to take a look at what IVGID's Director of Finance is doing. It has been going on for too long.

Vice Chairman Sherman moved to approve the guidance letter with a second from Member Kalt. The motion carried.

6 . FINANCIAL CONDITION REPORTS BY THE DEPARTMENT; CONSIDERATION AND POSSIBLE ADOPTION OF RECOMMENDATIONS AND ORDERS

a) For Possible Action: Discussion and Consideration of City of North Las Vegas Financial Condition

1) Report by City on the following matters:

a) FY 15/16 Final Budget, including revenue, expenditures, cash flow analysis and scheduled debt repayments;

b) Status of collective bargaining agreements expiring 6/30/15;

c) Status of FY 14/15 Audit

Darren Adair, Director of Finance, City of North Las Vegas, stated that with him today, representing the City Manager, is Dr. Qiong Liu, Acting City Manager, Ryann Juden and City Attorney, Sandra Morgan. Also with him today, is their audit partner, Ralph Piercy with Piercy Bowler Taylor and Kern, who is here to answer Item 1(c) on the status of the current year audit. The City of North Las Vegas FY 15/16 tentative budget has been approved and was submitted to the Department, including the updates on the revenues and expenditures, cash flow analysis and schedule of debt repayments.

Chairman Leavitt stated that it appears to him the City of North Las Vegas will be fine through June 30, 2016. He is more concerned about the plans for the subsequent fiscal year when the debt payments go up substantially.

Member Johnson disclosed he owns bonds issued by the City of North Las Vegas for water and sewer operations. It is not a large amount and will not impact his ability to make an objective decision.

Darren Adair stated the city's biggest concern in the near term future is the increase of the principle payments under the obligation bonds. That increase occurs in the beginning for FY 2018. In preparing for this, since the process is setting aside the debt service funds on a monthly basis, they would begin the process to make the debt payments that would come due the first part of 2018 in the year 2017. They are in the process right now of updating their capital improvement plan (CIP) budget. This becomes a part of the annual budget. This process begins at the start of the new year. The city is focusing on some objectives hoping in the upcoming year they will be able to generate some additional savings. In the last year or two, the city has been able to balance its budget with fiscal responsible practices and revisiting operations for the city. Much of the savings this year has occurred in the area of vacancy savings. The City of North Las Vegas, under the direction of the city manager and the mayor, have put together a critical justification committee that reviews all the vacancies that come up under the staffing pattern for the city and then determines the criticality of those positions as well as any needs that come up that are not included in the budget but determined as critical. The city has been able to re-engineer its staffing patterns, develop efficiencies to serve the citizens and provide minimum levels of service and reduce costs. In looking forward, the ability to address the PILT deficit will have to be dealt with through growth. In order to address the growth, the city would have to prepare with adequate staffing and service level commitments. The upcoming year has two challenges, the increase in the debt service requirements and maintaining the minimum level of staffing in order to service the anticipated growth. If faced with the challenge of the two, they would make sure the financial obligations under the debt are met.

Chairman Leavitt stated he would like the City of North Las Vegas, at the next meeting in January, to give a detailed plan regarding how they will meet the big principle payment in the next fiscal year. Chairman Leavitt commended Mr. Adair on reducing staffing and maintaining the financial condition. At the same time, how much farther can the city go with that and still maintain services to the citizens?

Darren Adair responded that they would do their best to respond to this request. The timing the city is facing is that in the upcoming year they have collective bargaining negotiations with their two largest groups. In January, the city would not have completed the negotiations, and this will be ongoing leading up to the preparation of the budget. The city will do their best to return a report to CLGF about the progress at that time, but they may be limited in what they can definitively say has been accomplished.

Chairman Leavitt stated he understands limitations about contracts that have not been done. However, he would like to see the city's plan regarding what they would like to do.

Ralph Piercy, Piercy Bowler Taylor and Kern, came forward to discuss the City of North Las Vegas audit. At the beginning of last week, they had a team of five people that started full time at the city. Mr. Piercy expects that by the upcoming Monday or Tuesday they should be substantially through the grant portion of the audit. They are making good progress on the rest of the audit. They have not run into any obstacles or concerns that would prevent them from staying on schedule. They expect to be done by the end of next month. Things appear to be improved from the prior year.

Chairman Leavitt asked Mr. Piercy if the city will need to ask for numerous extensions as in this last year.

Ralph Piercy responded no. His firm will be done by the end of November.

Sandra Morgan, City Attorney, City of North Las Vegas, came forward to address the collective bargaining agreements. She stated she has a copy of an executive summary regarding a presentation that was given when the city approved the collective bargaining agreement with the International Association of Firefighters, Local 1607. They approved both the supervisory and non-supervisory collective bargaining agreements on August 19, 2015, with an effective date beginning July 1, 2015, expiring June 30, 2017. There were no cost of living increases in this agreement. Quite a few procedural items were cleaned up with regard to management rights and standard operating procedures which were beneficial for the fire chief and his command staff. This agreement was entered into after four months of negotiation. Ms. Morgan has a copy of the fully executed contract. The upcoming year does not have any additional financial impacts. In the second year, there is a reopener section in Article 48 that specifically states that if the City anticipates or projects a budget shortfall for FY 2016/17, the city can reopen articles regarding annual leave, sick leave, holidays, insurance and benefits, education, incentive pay and any annual step increases. The only other agreement which expired on June 30, 2015, is with the police supervisors. There were approximately 20 sessions; however, that association declared impasse in early September so the city is now going through the procedural steps outlined in NRS 288 to go to arbitration.

Chairman Leavitt clarified that all of the city's other employees are now covered by existing labor agreements which are effective right now.

Sandra Morgan responded that this was correct. The firefighter's contract expires June 30, 2017. Teamsters Local 14 expires June 30, 2016. The Police Officer's Association agreement expires June 30, 2016.

Chairman Leavitt stated that at the last meeting Mr. Adair answered positive about financial condition, current bills and cash flow. He asked Mr. Adair if he could answer the same way currently.

Darren Adair responded that he could affirm the same answers given at the last meeting. The city is prepared to make all of its debt payments. They have set aside the funds on a monthly basis and do not anticipate any issues with this. They are continuing to track with a balanced budget with revenues slightly up and expenditures just a little under. They are anticipating to exceed the 8% ending general fund balance at the end of the year. As the FY 2014/15 audit closes, the city is anticipating that the audited ending general fund balance will be above 8%.

6 . FINANCIAL CONDITION REPORTS BY THE DEPARTMENT; CONSIDERATION AND POSSIBLE ADOPTION OF RECOMMENDATIONS AND ORDERS

b) For Possible Action: Discussion and Consideration of Nye County financial condition:
1) Report by the Department on Nye County financial condition and request for information from the County;
2) Response from the County

Terry Rubald stated that last April, as part of the discussion with the Smoky Valley Library District, Mr. James Eason, Tonopah Town Manager and Chairman of the Board for Prime Care, Inc., which was the operator of the Nye Regional Hospital, discussed that they were considering reinstituting the county hospital district that would be centered in Tonopah. Mr. Eason stated the biggest issue at the time was how this would be funded to pay off the debt that was assumed when Prime Care came out of bankruptcy. The amount of debt was approximately $4.3 million. Mr. Eason stated that the hospital district would cover most of Nye County with the exception of Pahrump and Beatty, and that the county manager was working on a plan. After his comments, Chairman Leavitt requested that Nye County make an appearance at the next CLGF meeting. Since that time, the hospital district was created on May 29th and a tax rate of 20 cents was levied and included in the tax rates approved by the Nevada Tax Commission on June 25th. However, on September 4th, the hospital closed its doors, and there currently is no hospital service within about 100 miles of Tonopah. The Department has

engaged in some preliminary analysis with regard to loans that were made by Nye County to Prime Care, which is a private non-profit corporation that is now in bankruptcy. That analysis, along with the Department's observations of other financial difficulties experienced by the county over the last two years, has caused concern about cash flows. For example, there were issues identified in the last two audits regarding over expenditure of monies in the general fund. One of the county funds showed a deficit fund balance. The audit reported a material weakness in the timely recognition of bank account and investment to the general ledger. The auditor's management letter dated January 10, 2015 stated the significant decrease of revenues in the general fund due generally to lower property and sales tax revenues created budget and cash flow issues for the fund. The Department is also aware of procedural issues such as proper documentation related to interfund loans and transfers as well as medium term obligations. All of these things, coupled with the loans to Prime Care and the legal question as to whether the hospital district can continue to levy a tax rate if there is no hospital, have caused the Department to make inquiries to the county. The county has asked for an extension of time to respond to those inquiries. The kinds of information the Department has asked for are current updates on the conditions that were identified in the prior audits in advance of the FY 2015 audit, identification of procedures for timely submission of medium term obligations to the Department, explanations for interfund transfers and loans and documentation thereof and the permitted uses of the funds from which monies were loaned, whether any short term loans will be converted into medium term obligations, information and analysis regarding loans made to Prime Care, how the hospital indebtedness complies with the requirements of NRS 450.665, the conditions under which the hospital district has actually assumed the debt of Prime Care, the nature of the remaining indebtedness of the hospital and revenue forecasts considering the decline in property tax and sales and use taxes to the county. Terry Rubald told Chairman Leavitt that the Department sent a notice requesting Nye County's appearance on October 13th. Nye County stated in a letter dated October 26th that it has not had time to prepare a response nor be able to appear before the Committee today. Nye County has also stated it will be necessary to obtain legal counsel for the requested appearance, and there has not been sufficient time allowed to obtain such counsel. The Department does not oppose a continuation of this matter because our interest is in obtaining the best possible information and analysis in order to make an accurate recommendation to the Committee. The Department asks the Committee to consider asking Nye County to cooperate with the Department's request for information and analysis in order to report back to the Committee at the next meeting with a more accurate analysis of Nye County's overall financial condition and especially the financial condition of the hospital district as well as a determination of whether a fiscal watch is necessary at this time.

Chairman Leavitt stated we need to have Nye County at the next meeting, and they need to be prepared to answer questions regarding all the financial transactions Ms. Rubald made reference to. All of the loans without proper authorization really concern him. The explanation for the over expenditure being that Nye County had invoices come in they were not expecting is not a legitimate explanation.

Member Walker asked if Nye County's audit was going to be timely.

Kelly Langley, Supervisor of Local Government Finance, Department of Taxation, responded that she has spoken to Nye County's auditor. At this time, it appears the audit will be timely. Chairman Leavitt stated when we meet after the first of the year, we should have an audit in hand. We need to stop this before it becomes more serious.

7. For Possible Action: Discussion and consideration of establishing subcommittee(s):
a) To perform 10 year review of CLGF regulations pursuant to NRS 233B.050(1)(e) to determine whether any regulations should be amended or repealed;
b) To determine whether NAC 354.660 may be updated to conform with SB 168 (2015);

c) To determine whether regulations should be considered related to GASB Exposure Drafts 43 and 45 regarding post-employment benefits;
d) To consider other topics related to legislative changes

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Terry Rubald stated Items (a) and (c) were added as catch all's in case there is any interest by the Committee to look at generally reviewing all of our regulations. She does not have any particular recommendations on these items. During some subcommittee meetings, there was some interest in possibly exploring whether regulations should be considered related to the GASB Exposure Drafts. Ms. Rubald thought that if we were going to do that, we might want to consider doing a 10 year review.

Vice Chairman Sherman stated GASB Exposure Drafts in 7(c) have turned into GASB Statements 74 and 75. He added that GASB Statement 68 is now in effect for the financial statements for the fiscal year just ended. This is the requirement that governmental entities report a proportional share of any pension obligation. GASB Statements 74 and 75 relate to OPEB, and the concept is similar to GASB Statement 68. Vice Chairman Sherman is not sure if there is a requirement to deal with the current regulations that relate to financial reporting in operations of governments. At a future meeting, the Committee should give some consideration as to whether or not those particular accounting standards will have an impact on the financial health and reporting requirements of the local governments. We can have a more fruitful discussion when we start seeing the financial statements for the fiscal year just ended and can see how GASB Statement 68 plays out in these statements. We can then decide if the Committee wants to review the regulatory scheme if there are any issues that come up with the application of GASB Statement 68 and furthermore on GASB Statement 74 and 75. Pension obligations are fairly well funded in this state, although there is a difference between the liabilities and the assets. OPEB is not the same. There are only a handful of local governments that have trusts that can actually count against the liability. Reporting the liability is going to be a lot similar to the pension liability now. Vice Chairman Sherman recommends deferring 7(c) until we see financial statements for the fiscal year just ended.

Member Kalt thanked PERS. They did an awesome job on the report which benefited them on GASB Statement 68.

Chairman Leavitt requested this item be placed on the agenda for after the first of the year. We should individually take a look at the regulations to see if we need to work on them.

Terry Rubald stated the Department will look at the regulation. She then went on to discuss Item 7(b). In 2012, there was a subcommittee formed to discuss whether NAC 354.660 should be amended to increase the ending fund balance that is not subject to negotiations with other local governments or employee organizations. At the time, the recommendation was to go from 8.3% to 16.6%. There were a couple of workshops, but ultimately the Committee did not pursue any further rulemaking. Our regulation remains at 8.3%. At this last legislative session and the passage of SB 168, under Section 2 Subparagraph 3, the new language provides that for any local government other than a school district, for the purposes of Chapter 288 of NRS, a budgeted ending fund balance of not more than 25% of the total budgeted expenditures less capital outlay for general fund is not subject to negotiations with an employee organization and must not be considered by a fact finder or arbitrator in determining the financial ability of the local government to pay compensation or monetary benefits. Ms. Rubald asked the Committee if there was any interest in amending NAC 354.660.

Member Walker stated she worked with Senator Settelmeyer on this bill. There is a little overlap but just in regard to the local government general fund. The rest of it does not overlap. For a local government, not including school districts, the general funds can go up to 25%. Special revenue funds with property taxes in

them can still use the 8.3%. SB 168 did not pertain to school districts. School districts would still have an 8.3%. The only place it overlaps is in the local government general fund which now has 25% set aside.

Chairman Leavitt asked Member Walker if she felt we needed to clarify our regulation.

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Dawn Buoncristiani, Deputy Attorney General, State of Nevada, read the case law for interpreting statutes and regulations. There is a standard for the CLGF to compare the statute and the regulation. To the extent that they conflict, the regulation would not be valid.

Chairman Leavitt stated it appears that in certain instances, as it relates to the general fund of a local government other than a school district, that our regulation is a variance now from what the statute says. Now the question is whether we need to amend the regulation to clarify the language as it relates to the various funds.

Dawn Buoncristiani stated according to case law, the CLGF would not be sued because of their statutes but this could be taken to court if there was a local government that wanted to do something different than what might be the ordinary reading of it that was not clarified.

Member Walker stated that in keeping with the intent of the statute, it would not take much of a change to the NAC. She offered to work on it.

Chairman Walker suggested appointing a subcommittee with Member Walker as chairman and Member Clinger.

Dawn Buoncristiani asked if there was any legislative history on this that would indicate the direction of the legislative committee. CLGF would have to make sure whatever is written is consistent with that conversation.

Member Walker stated that there was a lot testimony. She believes the reading of the statute is clear. There were some versions that were very unclear, so they took great effort to make it very clear. It is simple because it only pertains to the general fund and does not pertain to any other funds or the school district.

Terry Rubald recommended the language in the current regulation to say “except for the general fund...”

Member Walker suggested referring to the NRS.

Vice Chairman Sherman mentioned another provision in the regulation that relates to having a reopener in case of a fiscal emergency. He asked Member Walker to shed some light on AB 54 and the severe financial emergency statutes and regulations.

Member Walker responded that this provision states a local government can reopen a contract if they have total revenues decrease by more than 5%. They must use the audited numbers to do this. This is the process for a local government, itself, to take more control of its budget. We are trying to correct the problem at the local government level before it gets to the Department. The Department bill is a secondary process. There are two different processes, one for the local government and one for the Department of Taxation.

Vice Chairman Sherman stated that he remembered a court case where a local government used severe financial emergency statutes in an attempt to deal with certain collective bargaining issues. He wanted to make sure there is no conflict between this definition of financial emergency and what may occur under the severe financial emergency statutes.

Member Walker clarified that it is two different processes. The Department has their own criteria and this is a process just for NRS 288, for a local government to have the ability to reopen. Member Walker stated that during the Great Recession, because there was no ability to reopen contracts, the only thing that could be done to reduce expenditures was to cut staff. Most cut their staff 25% to 30%. This gives another mechanism. Member Walker handed out some information that Senator Settelmeyer sent to her after the bill was approved showing that the bill is seen as credit positive.

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Terry Rubald was asked to draft revised language for NAC 354.660 prior to the next meeting. Regarding Item 7(d), Terry Rubald referred the Committee to the action plan in the legislative summary. AB 19 will be included in the Local Government Finance calendar which is shared with local governments. This bill explains when the budgets can be adopted from the third week all the way to the last day in May. The problem Ms. Rubald sees with this is, if the local governments wait until the last day in May, the very next day the budget has to be in the office of the Department. The Department will make sure the local governments know about this tight turnaround. There were several bills where the Department will use the budget instructions to advise county officials about changes regarding residential construction taxes, 473 fire districts, tourism improvement districts and the fund for hospital care to indigent persons. On AB 54, there were two more conditions that were added to the list of 27 that might lead to severe financial emergency. These are if the ending fund balance is less than 4% of the actual expenditures for the preceding year and failure to pay the FUTA tax (federal unemployment tax). Section 8 amends the duties of the Department in severe financial emergency. Now we can open and renegotiate, in good faith, existing contracts with the unions and employee organizations, and assume all rights and duties of the local government that is afforded to them under NRS 288. In addition, the Department will be able to negotiate, in good faith, with bond holders and make adjustment to bonded indebtedness, if necessary. There is a provision for cities that are contiguous to a city that might be in severe financial emergency to be invited to the discussions. Also, if the property taxes might be raised under this, that will not be subject to abatement any more. SB 475 did not pass. This permitted a local government to file bankruptcy. The main concern about permitting bankruptcy seemed to be the costs that all governments might experience when placing bonds because of the increased front end costs that investors might demand due to the risk. A statute that will have a profound effect on many local governments is SB 483 which sunsets the net proceeds of minerals prepayment system as of June 30, 2016. This means there will be next to nothing in terms of revenue from net proceeds available in FY 2017. This will be a long, dry year. After that, we should be back on a solid system where mines will pay net proceeds on actual revenue rather than estimated revenue. Therefore, the amount of carryforwards and refunds should be reduced.

8. BRIEFING TO AND FROM THE COMMITTEE ON LOCAL GOVERNMENT FINANCE AND LOCAL GOVERNMENT FINANCE STAFF
   a) Report by Department on legislative changes;
   b) Report by Department on “More Cops” activities in Clark County
   c) Discussion and explanation of travel claims

Kelly Langley stated Clark County recently approved an ordinance amending Title IV Chapter 4.18 to increase the rate of sales and use tax imposed for the purpose of employing and equipping more police officers in Clark County as authorized by Chapter 249 of the 2005 Nevada Legislature and as amended by SB 1 of the 2013 Special Session of the Nevada Legislature. This rate will be effective January 1, 2016, and it will go from .25% to .30%. In addition, the Department has not received any waiver requests for “More Cops.”

Terry Rubald stated, as part of AB 54, there is now the ability for Members to claim per diem. Anita Moore, Program Officer, Department of Taxation gave an explanation to the Members on how to complete the travel claim forms.

9. REVIEW AND APPROVAL OF MINUTES
For Possible Action: CLGF Meeting – April 30, 2015; Subcommittee Meetings on April 24, 2015; August 18, 2015; and August 27, 2015.

Member Kalt moved to approve all of the above minutes with a second from Member Clinger. The motion carried.

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10. For Possible Action: Schedule Date and Review Agenda Topics for the Next Meeting

Chairman Leavitt stated that at the next meeting we will request the appearance of North Las Vegas and Nye County. We will approve regulation LCB File No. R078-15. Hopefully we review the language change to NAC 354.660. Regarding a date, the third week in January was suggested. Terry Rubald stated she will poll the members.

11. Public Comment

There was no public comment

12. For Possible Action: ADJOURNMENT

The meeting adjourned at 12:48 p.m.